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A/S BLAKE'S REMARKS U.S. TRADE SHOW LUNCHEON THE AMERICAN CHAMBER OF COMMERCE

**THURSDAY, FEBRUARY 16, 2012
DHAKA, BANGLADESH**

A/S Blake gave the following remarks at the U.S. Trade Show luncheon at the Ruposhi Bangla Hotel organized by the American Chamber of Commerce.

(Begin Text)

Thank you to Executive Director Gafur and President Aftab ul Islam for the kind introduction. I am delighted to be here in Dhaka with all of you today to convey my congratulations on organizing the 21st Annual U.S. Trade Show. I am pleased to have the opportunity to see the wide range of U.S. goods and services that AmCham members are distributing in Bangladesh, and have been doing so for many years.

Our two countries will celebrate 40 years of diplomatic relations this year. As I reflect on our dynamic relationship, it is important to highlight that the U.S. is Bangladesh's most important economic partner. We are Bangladesh's largest single export market, its leading source of investment, and its third biggest source of remittances. Our economic relations contribute to the livelihoods of millions of people in Bangladesh. Also, thanks in no small part to the entrepreneurship and leadership of AmCham members, U.S. exports to Bangladesh roughly doubled to more than \$1 billion in 2011 and helped support some 10,000 jobs at home.

Bilateral trade between the United States and Bangladesh now tops \$6 billion annually. Major U.S. companies – including Chevron and Conoco-Phillips – are poised to make significant long term investments in Bangladesh, particularly in the energy sector. In that regard, I am also excited to be attending the signing of a \$250 million deal today between General Electric and Summit to develop the Meghnaghat power plant project.

As you know U.S. companies are engaged with Bangladesh across a spectrum of industries. Last fall Boeing sold its first two aircraft to national carrier Biman and another 8 are on order for a total value of almost \$2.5 billion. With a resilient economy, which has consistently grown at 6 percent for almost two decades and was largely unaffected by the 2008 global crisis, Bangladesh offers opportunities for increased U.S. investment and exports.

Our economic engagement with Bangladesh is designed to strengthen the American economy, create business opportunities in the region, and advance stability and prosperity in South and Central Asia. Our two countries are exploring ways to establish a formal mechanism for economic dialogue, which I hope will facilitate further discussion on the economic opportunities and challenges in Bangladesh.

We believe private sector participation and investment in this region not only makes good business sense, but is central to the success of our regional foreign policy objectives. So as we strive to meet President Obama's goal of doubling exports by 2015 through the National Export Initiative, we are looking for opportunities to do even more business in Bangladesh.

I'd like to spend a bit of time discussing Secretary Clinton's vision for a New Silk Road, which seeks to establish energy, trade, transit, and people-to-people linkages between South and Central Asia, with Bangladesh playing a key role in this. In essence, this New Silk Road vision strives to strengthen regional economic integration and promote economic opportunity between countries in South and Central Asia through two primary means.

- First, through energy and infrastructure – which includes roads, bridges, electrical transmission grids, railways and pipelines – *to connect* goods, services, and people.
- And second, through trade liberalization – which includes the reduction of non-tariff trade barriers, improved regulatory regimes, transparent border clearance procedures, and coordinated policies – *to accelerate the flow* of goods, services, and people throughout the region.

As the New Silk Road vision becomes a reality, I can imagine goods produced here in Bangladesh making their way to neighboring markets in India, and beyond into Afghanistan and Central Asia, much like the historic Grand Trunk Road.

I am glad to see that AmCham is also attracting participation from U.S. companies based in India. This dovetails very well with the New Silk Road vision as it opens the untapped potential for economic cooperation in the region. The U.S. supports Bangladesh's efforts to

strengthen regional economic ties, particular with India. Increasing trade will bring substantial benefits for the people of Bangladesh and India. With a growing market of more than 1 billion consumers, India offers enormous potential to companies in Bangladesh.

Additionally, I want to recognize the Governments of Bangladesh and India for their efforts to improve bilateral relations and resolve longstanding conflicts. Sheikh Hasina's landmark visit to New Delhi in January 2010 and Prime Minister Singh's visit to Dhaka in September 2011 are but the most visible examples of the two countries' remarkable recent efforts to put aside differences and build new bridges, presenting a credible model for regional cooperation throughout South Asia.

Just last year, Bangladesh's annual exports to India grew more than 60 percent – and that was before the tariff reductions announced by Indian Prime Minister Singh during his visit. In a promising sign that this growth is likely to continue, I understand a Bangladesh trade delegation to India returned with \$90 million in orders shortly after India announced the tariff reductions.

But Bangladesh's economic future is not only about the future of South Asia, but about its growing relationship with East Asia and the rest of the world. Just last year, President Obama announced a renewed focus on American engagement with East Asia. The region already generates more than half of global output and nearly half of global trade.

It is no a coincidence that the three free trade agreements the President signed into law last fall were all with Pacific Rim partners. By virtue of its geography – linking South Asia and East Asia – Bangladesh is poised not just to take advantage of increased trade and economic opportunities with neighbors like India as part of the New Silk Road vision, but to tap into the vast East Asian markets as well.

As a consistent advocate for greater regional integration and cooperation, Bangladesh has demonstrated that it understands the potential that lies to the east. Regional organizations such as BIMSTEC, which seek to promote collaboration and economic links between South and Southeast Asia, and in which Bangladesh plays a prominent role, will gain increasing importance as countries seek to grow their economies. Never has the potential for collaboration been greater or more important.

Bangladesh has made substantial economic progress over the past two decades and it is well-positioned to accelerate its economic growth if it can address infrastructure constraints and other impediments to investment. Although the pace of change is often slow and the challenges

substantial, U.S. engagement can and will focus on long-term, meaningful results, and we will look to business leaders like you as partners in this process. I am optimistic that the dynamism, resilience, and entrepreneurship of the Bangladeshi people, and the business community in particular, will help the country to weather its current challenges and built on its economic achievements.

Thank you again for your time and I'm happy to take some questions and hear from you about some of the successes and challenges your companies encounter from operating in Bangladesh.

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Note: A Bangla translation of this press release is also available at the American Center. If you are interested in the translation, please call the American Center Press Section, Tel: 8855500, Fax: 9885688; e-mail: DhakaPA@state.gov; Website: [http:// dhaka.usembassy.gov](http://dhaka.usembassy.gov)